

# Third Quarter Marketing Report



BRANSON/LAKES AREA CVB  
NOVEMBER, 2013

BRANSON  
*It's Your Show*

# Economic Outlook

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# Consumer Confidence is Up 7% This Year Increasing from 66.7 in Dec to 71.2 Today

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**+6.7%**

In 2013

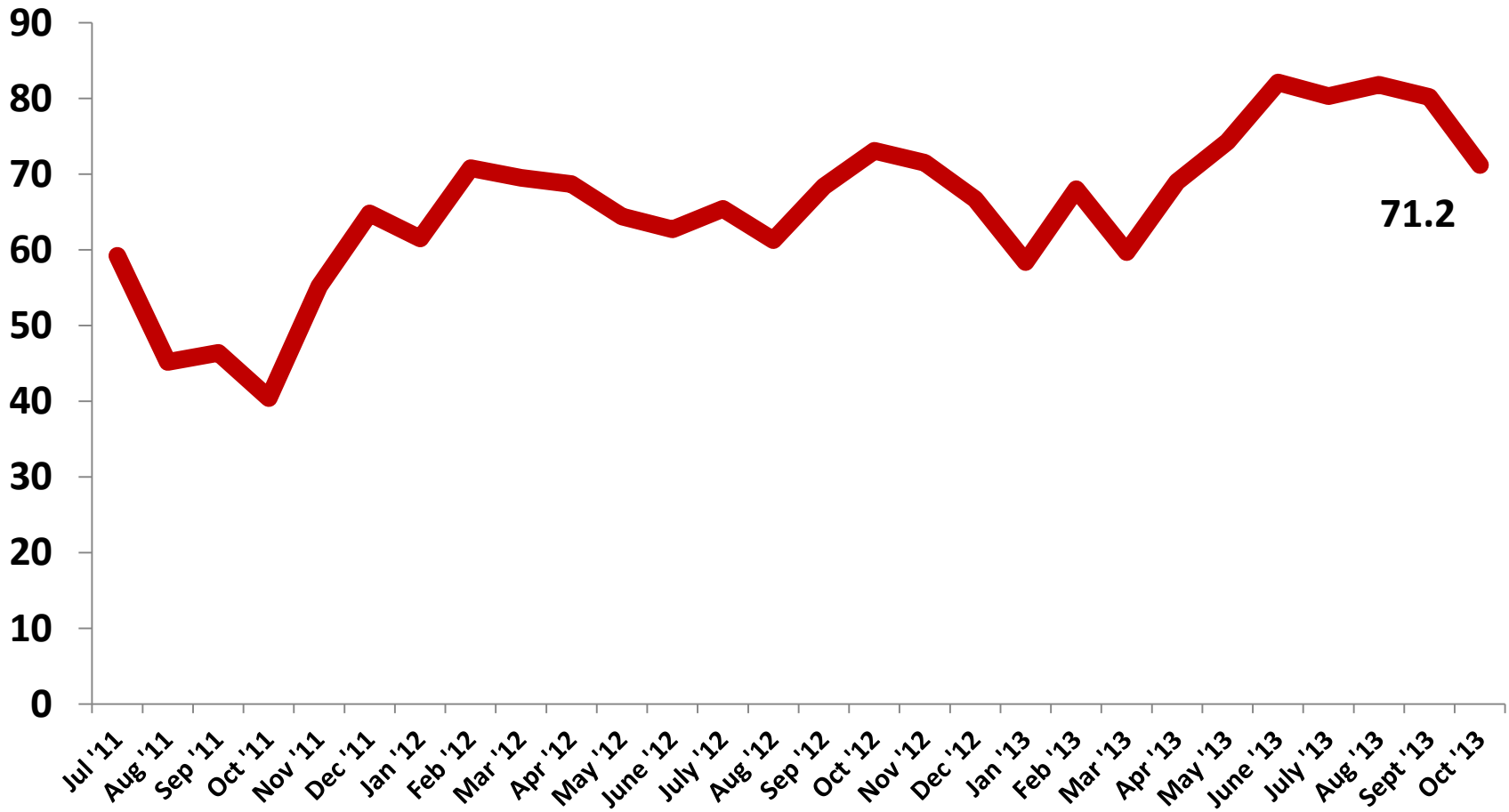
The Conference Board's Consumer Confidence Index now stands at 71.2, up from Dec but down from Aug of 2013.

*Source: The Conference Board*

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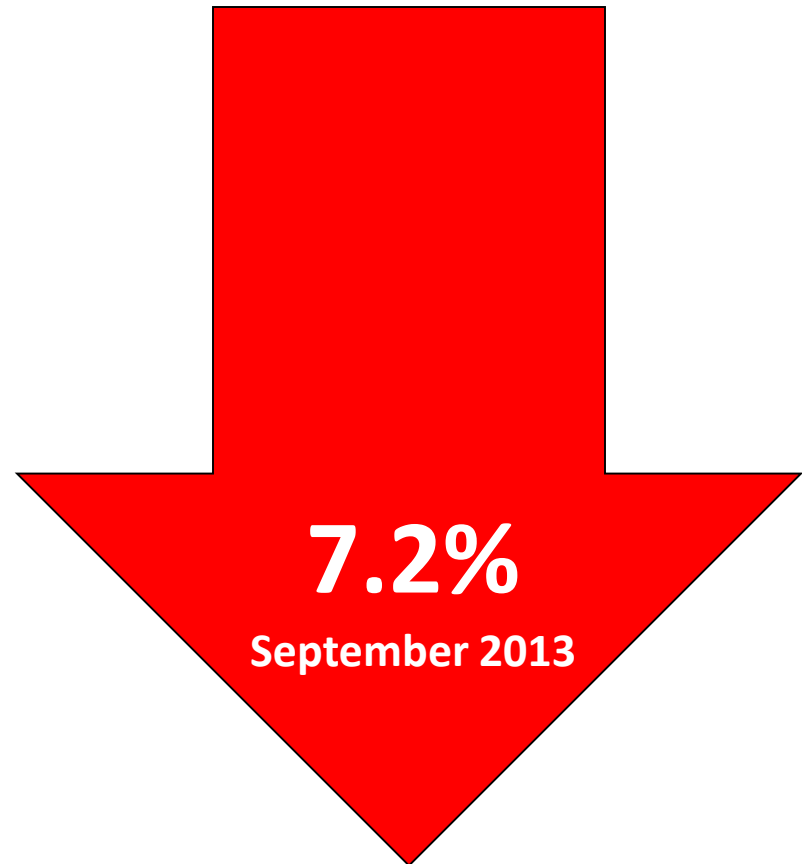
**An index of 90 is considered necessary for sustainability and 100 is required for growth.**

# Consumer Confidence Had Edged Higher, but Has Fallen in Recent Months



# **U.S. Unemployment Rate Stands at 7.2%, Down from 7.8% in December 2012**

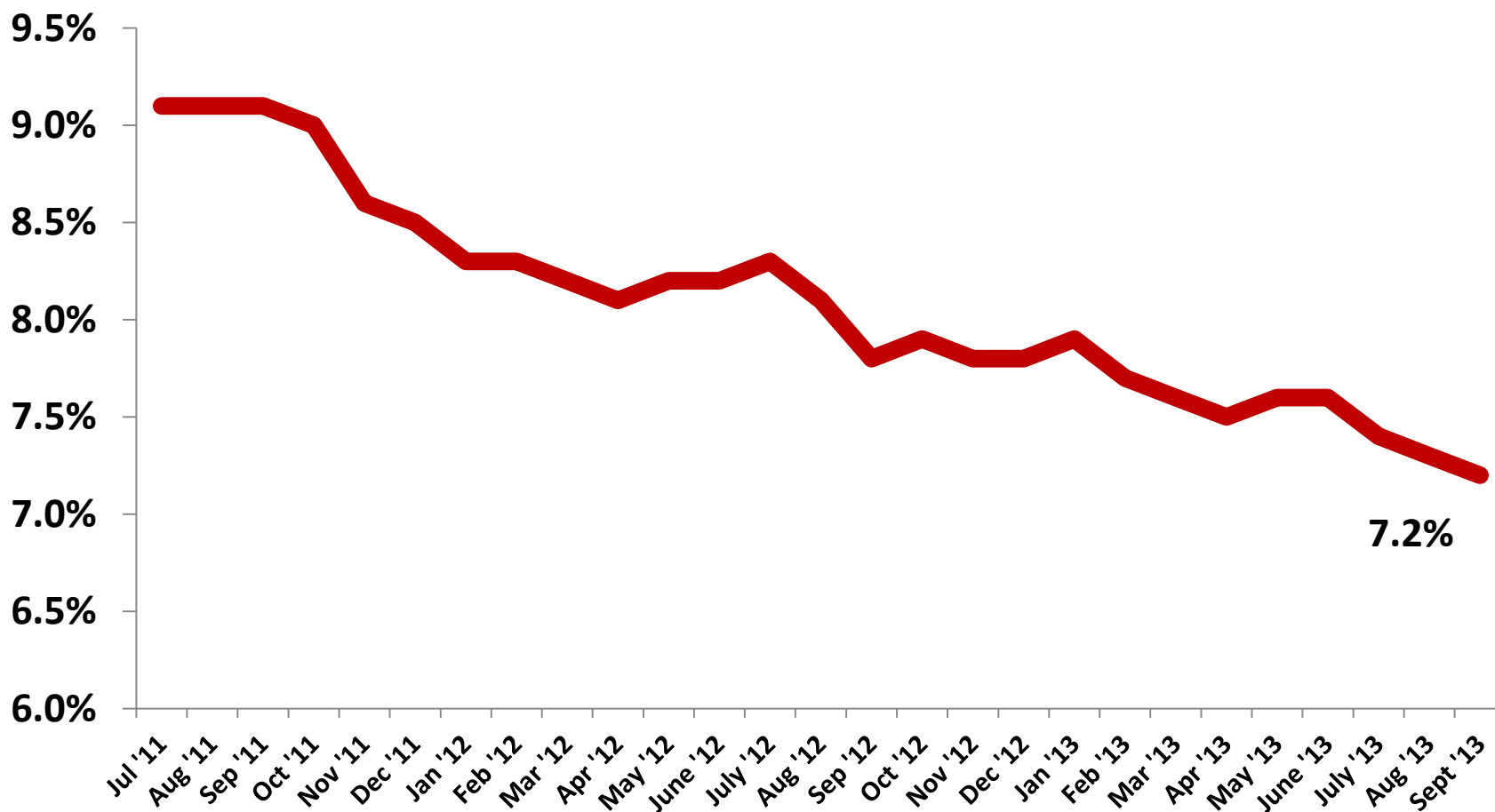
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*Source: Bureau of Labor Statistics*

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# The U.S. Unemployment Rate is the Lowest It Has Been Since December '08



# U.S. Gasoline Prices Averaged \$3.24 in October 2013, Down 0.6% on the Year.

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**-0.6%**

**In 2013**

EIA reports that gasoline prices are down 0.6% on the year, and down 12.4% from Oct 2012.

*Source: U.S. Energy Information Administration*

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# U.S. Gasoline Prices are Down 12.4% from Oct 2012



Source: U.S. Energy Information Administration



# **The DJIA Closed at 15,545.75 in October, up 2.8% on the month and 18.6% on the year**

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**+18.6%**

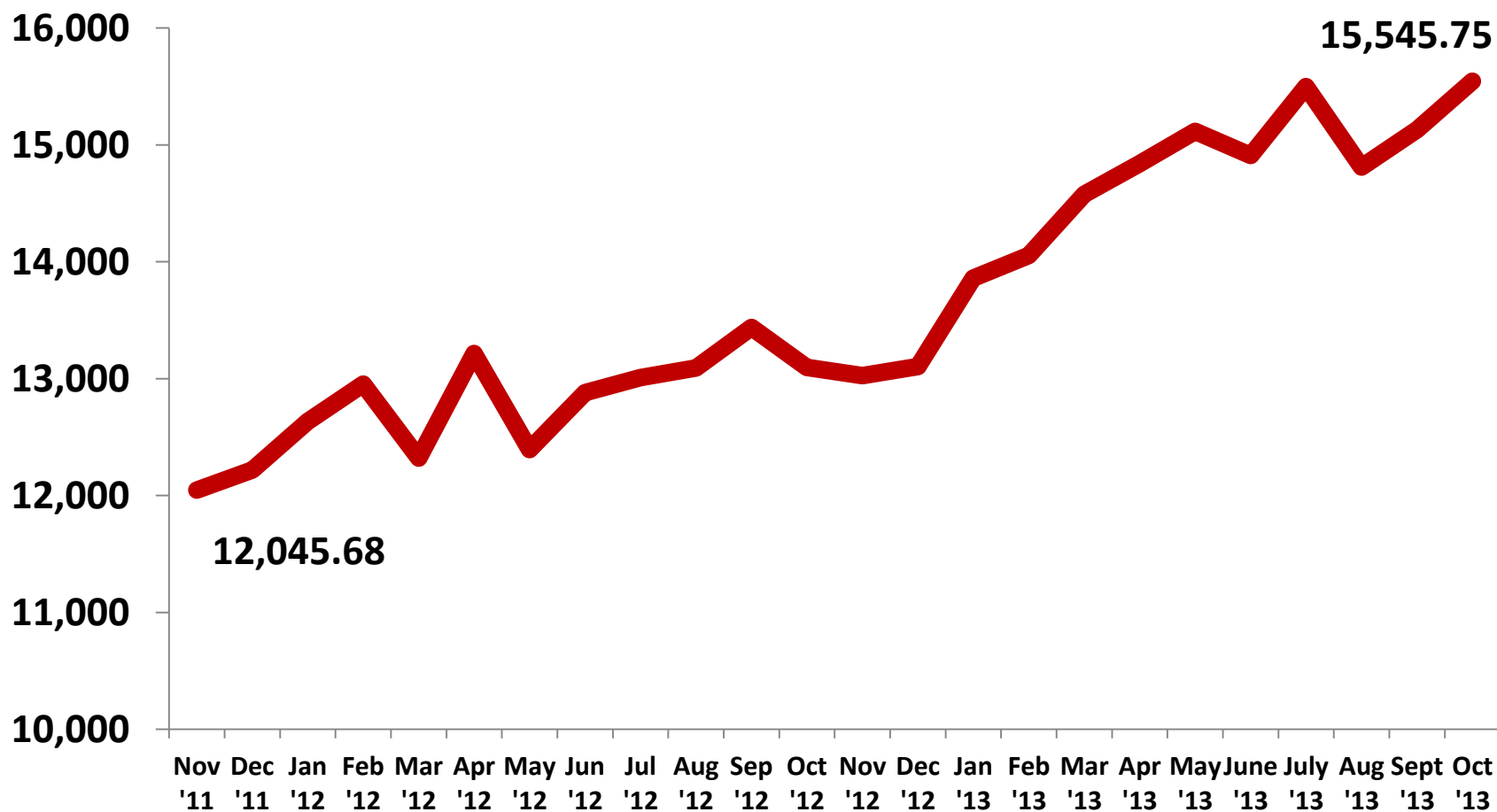
**In 2013**

The DJIA hit  
15,545.75 at the  
end of October, its  
highest close of  
the year.

*Source: Dow Jones Industrial Average*

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# The DJIA is Now at its Highest Point on Record



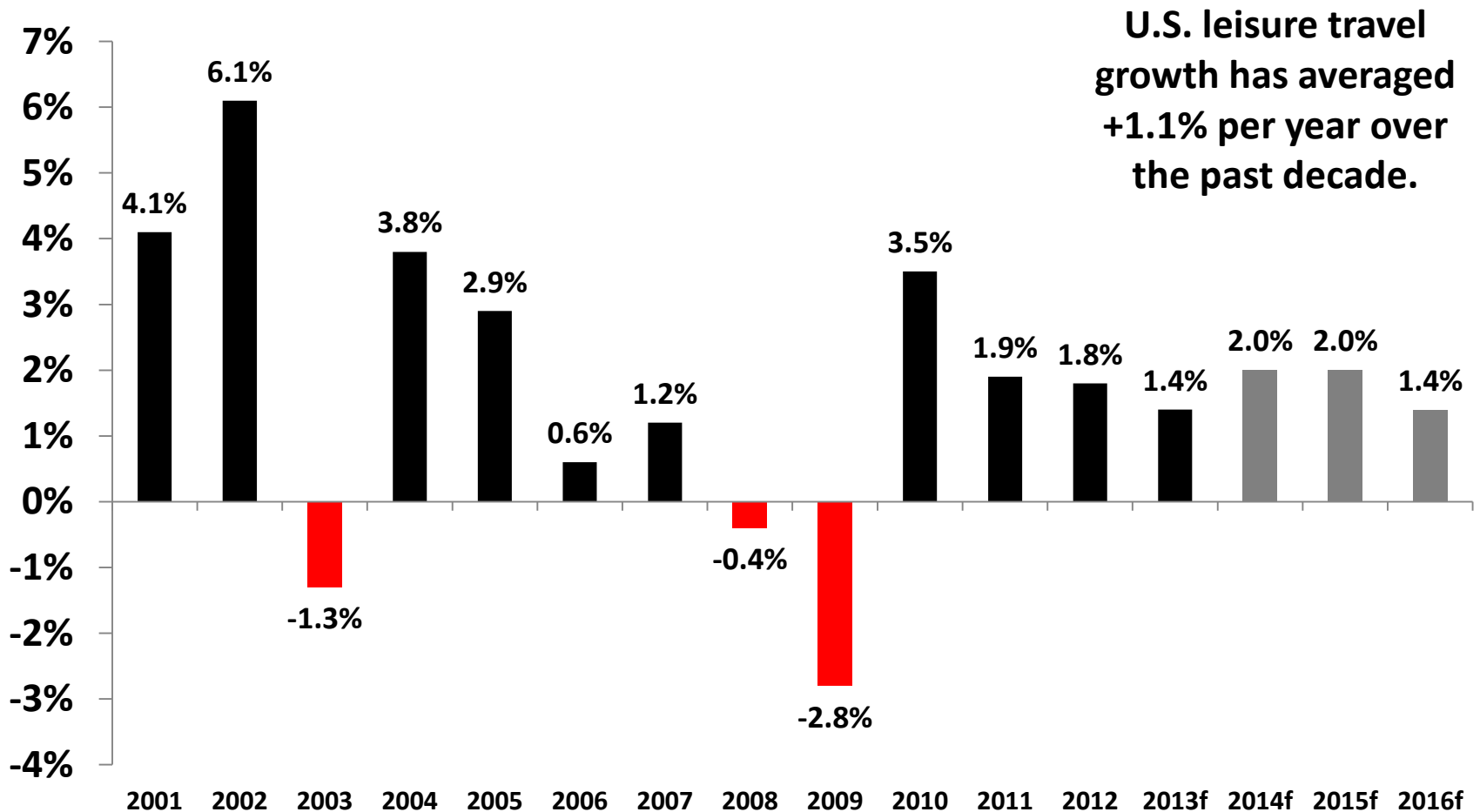
Source: U.S. Energy Information Administration

# U.S. Travel Performance

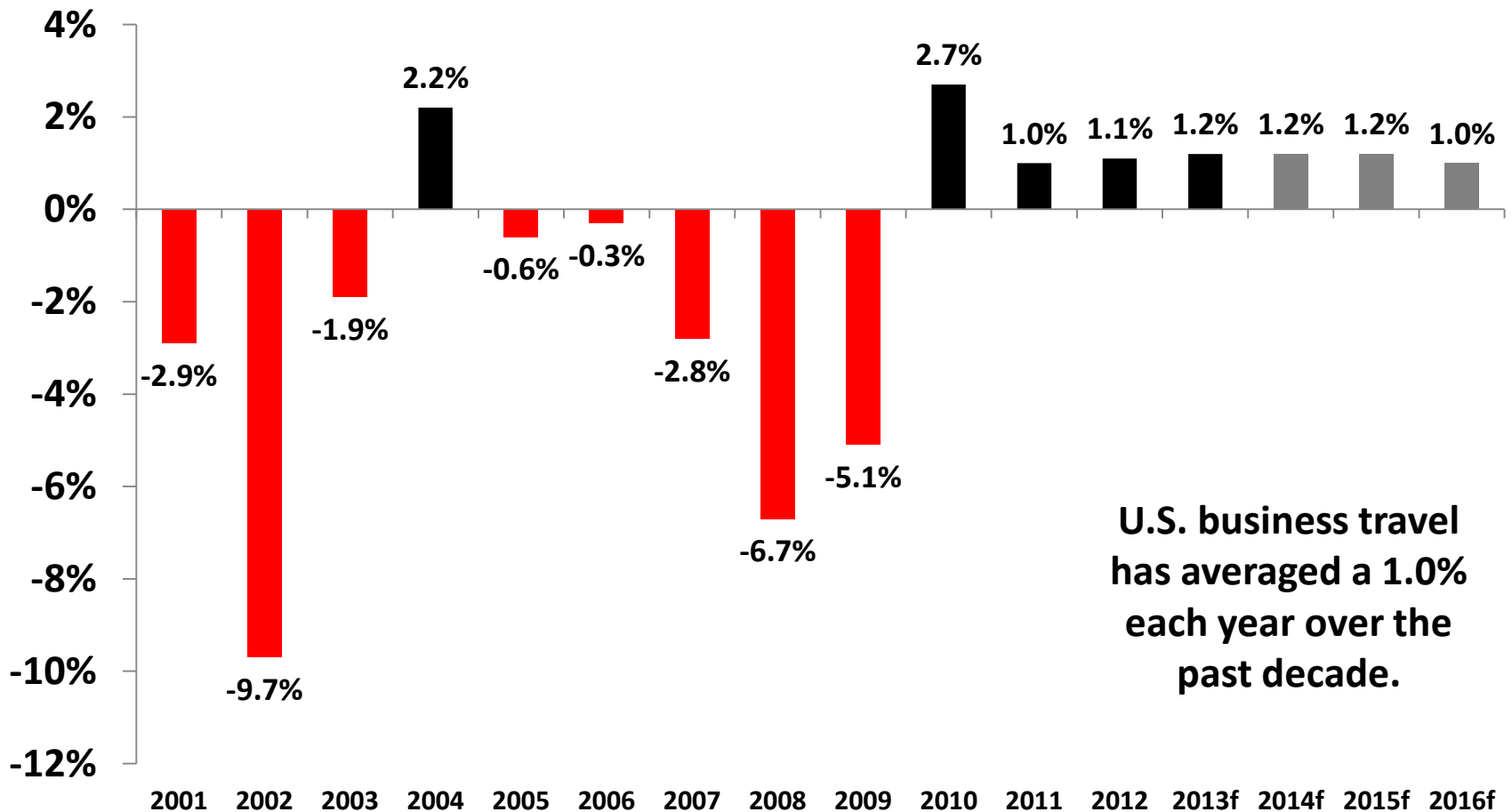
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# Leisure Travel Volume is Expected to Increase by 1.4% in 2013



# Business Travel Volume is Expected to Increase by 1.2% in 2013



# Smith Travel Room Demand is Up 2.4% Over the Past 12 Months

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**+2.4%**

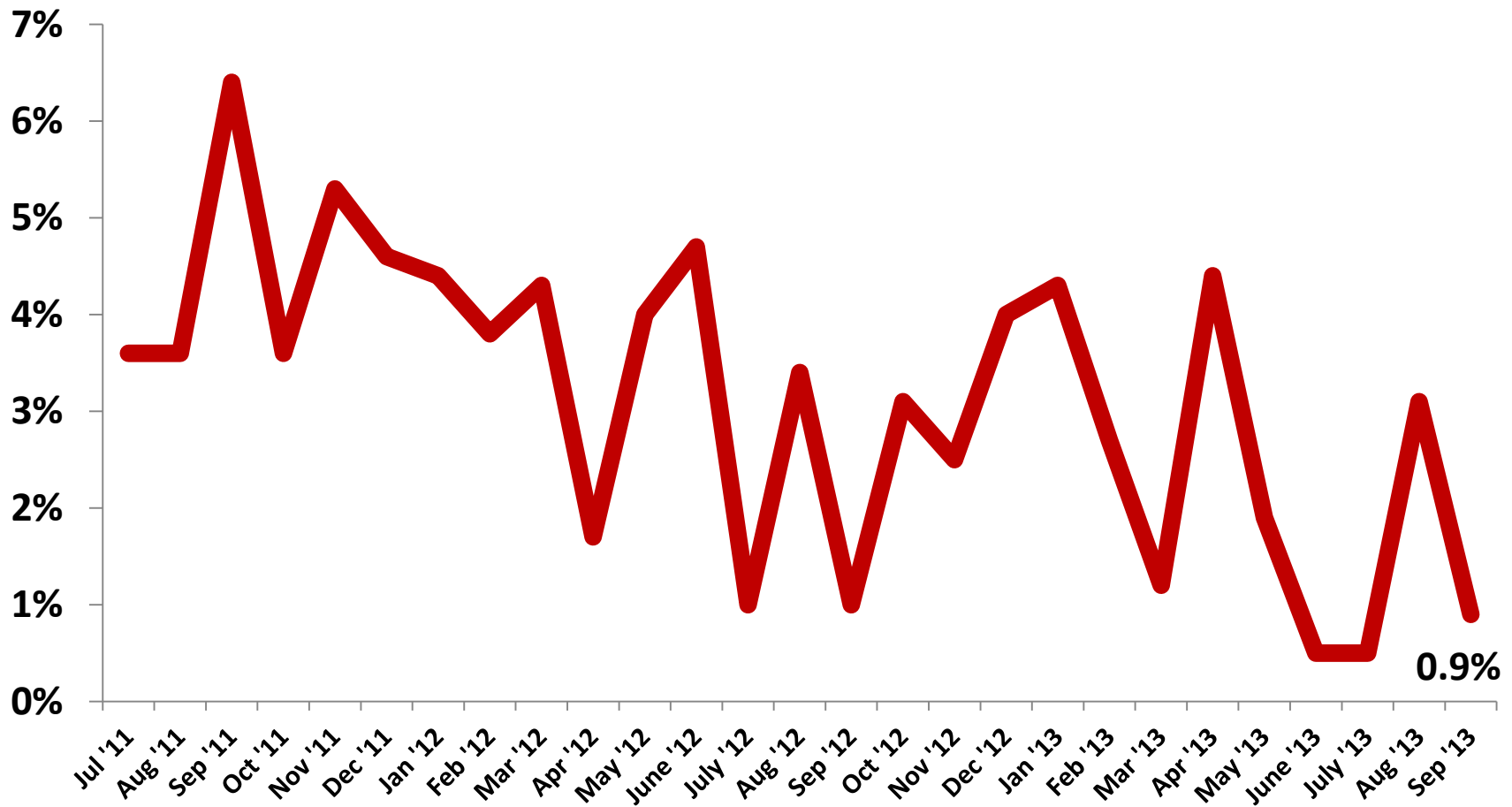
**Past 12 Months**

STR reports that  
U.S. hotel/motel  
room demand is  
up 2.4% over last  
year with  
revenues  
increasing 6.6%

*Source: Smith Travel Research*

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# U.S. Hotel Room Demand Has Posted Increases In Each of the Past 46 Months

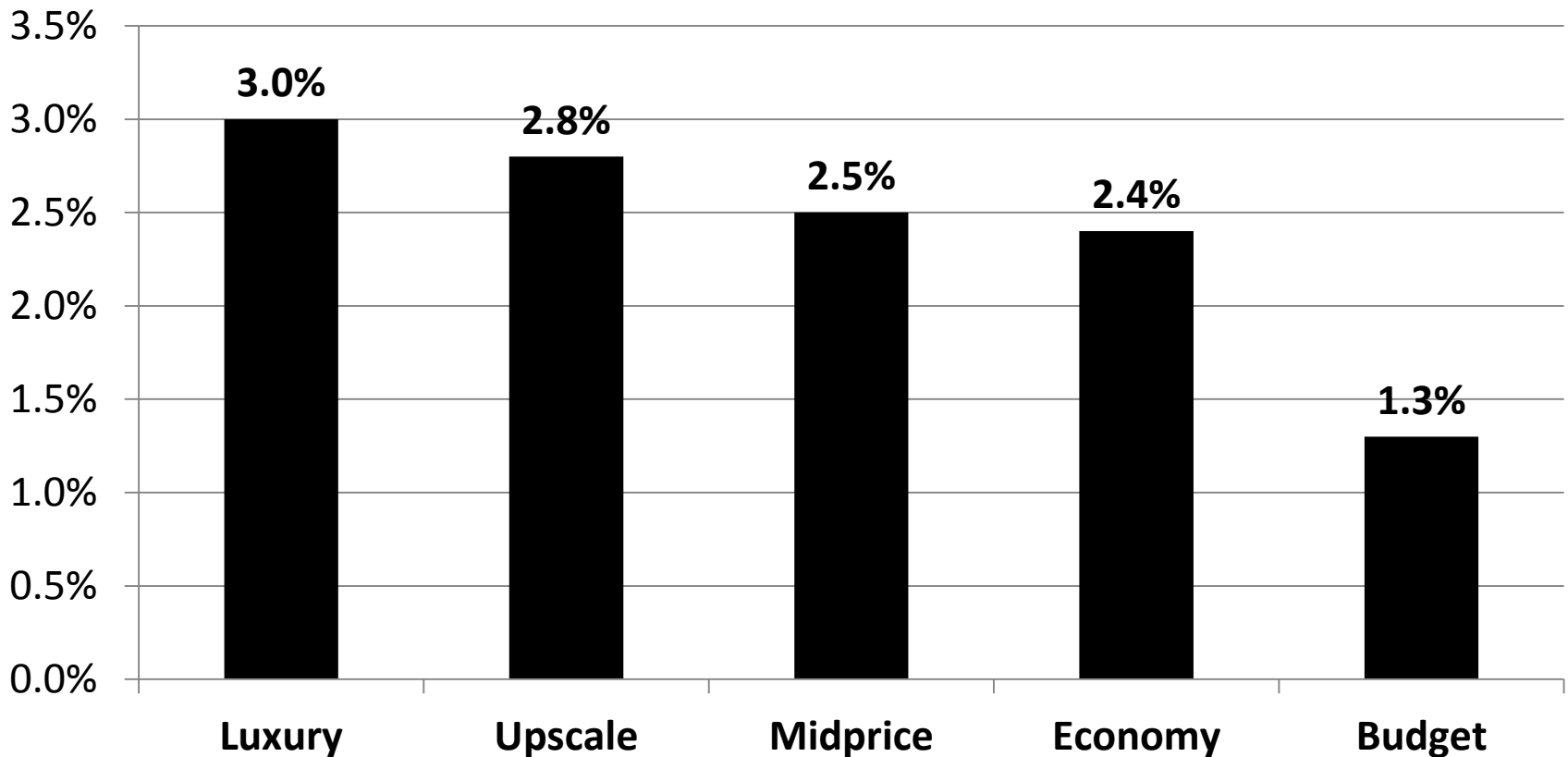


Source: Smith Travel Research, June 2013

# U.S. Room Demand is Strongest at the Higher Price Points

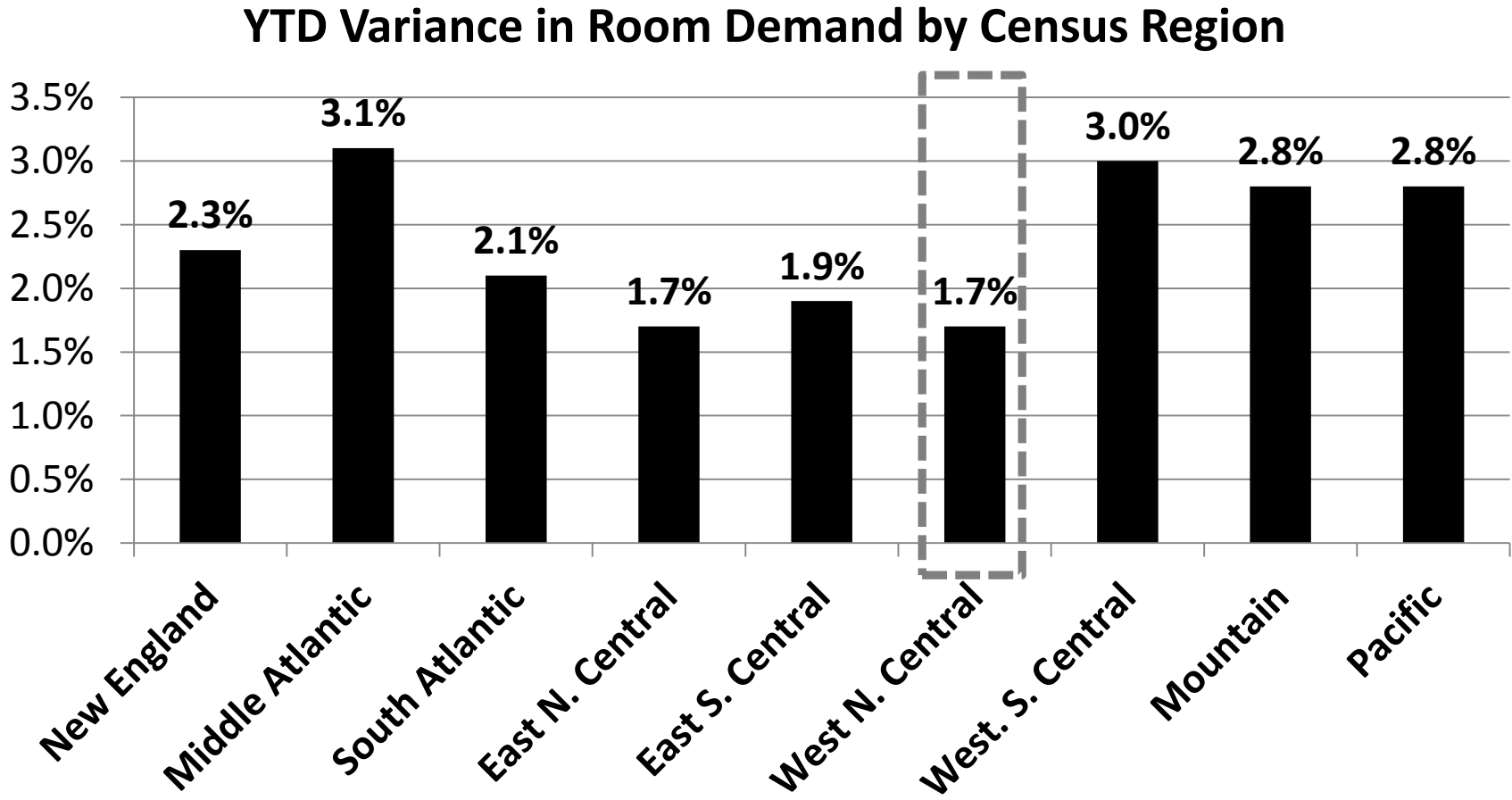
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YTD Variance in Room Demand by Price Scale





# U.S. Room Demand is Also Strongest in the Mid Atlantic & West South Central



# Travel Industry Update

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# Travel Industry Overview

- **Leisure Travel** continues to outperform business/meetings-related travel and group travel. Growth in consumer demand, creation of products that resonate with consumers and travel agents, and effective marketing contribute to these gains.
- **Travel Agents.** Many American Society of Travel Agents agency members reported that their first half 2013 performance was better than the same first half in 2012. In a recent survey, nearly one-fourth of all ASTA agencies said they saw a revenue increase of 10 percent or more. Overall, more than half (52%) of leisure agencies reported an increase in revenues, especially from travel insurance, cruises, tours or group travel and FIT. ASTA agencies project 2013 profits to be on par with 2012, while stronger profits are projected in 2014.

# Travel Industry Overview

- **Young People Traveling More.** The World Youth Student and Educational Confederation's New Horizon's III report shows that young people are traveling more, staying for longer periods of time and spending more money. Young travelers now represent 20% of international tourism and spent \$217 billion of the \$1.088 trillion spent worldwide on travel in 2012.
- **Government Shutdown** caused optimism among industry leaders and travel companies to wane. "Previous experience tells us that a shutdown unnecessarily disrupts economic activity in communities large and small that depend upon travel spending for employment and tax revenue," explained Roger Dow, president and CEO of the U.S. Travel Association.

# Travel Industry Overview

- **Lack of Vacation Time.** According to a recent report entitled "No-Vacation Nation Revisited," prepared by the Center for Economic and Policy Research, the U.S. is the only advanced economy (out of 21 nations) that does not require employers to provide paid vacation time. Almost one in four Americans do not receive any paid vacation or paid holidays. Further, the sum of the average paid vacation and paid holidays provided to workers in the private sector (16 in total) would not meet even the minimum required by law in 19 other rich countries. The gap between paid time off in the U.S. and the rest of the world is even larger when legal holidays are included. U.S. law does not guarantee any paid holidays, but most rich countries provide between five and 13 per year, in addition to paid vacation days.

# Travel Industry Overview

## U.S. Hotel/Motel Performance

- Positive results during August, according to STR:
  - ✓ supply (+0.7%)
  - ✓ demand (+3.1%)
  - ✓ occupancy (+2.3%)
  - ✓ average daily rate (ADR) (+4.5%)
  - ✓ revenue per available room (RevPAR) (+6.9%)
  
- In 2014, STR predicts:
  - ✓ Occupancy to grow 1.3%
  - ✓ ADR to rise 4.6%
  - ✓ RevPAR to grow 6%
  - ✓ Supply growth will increase in 2014 to 1.1% but remains below the long-term average of 1.7%

# Branson 2013 YTD Performance

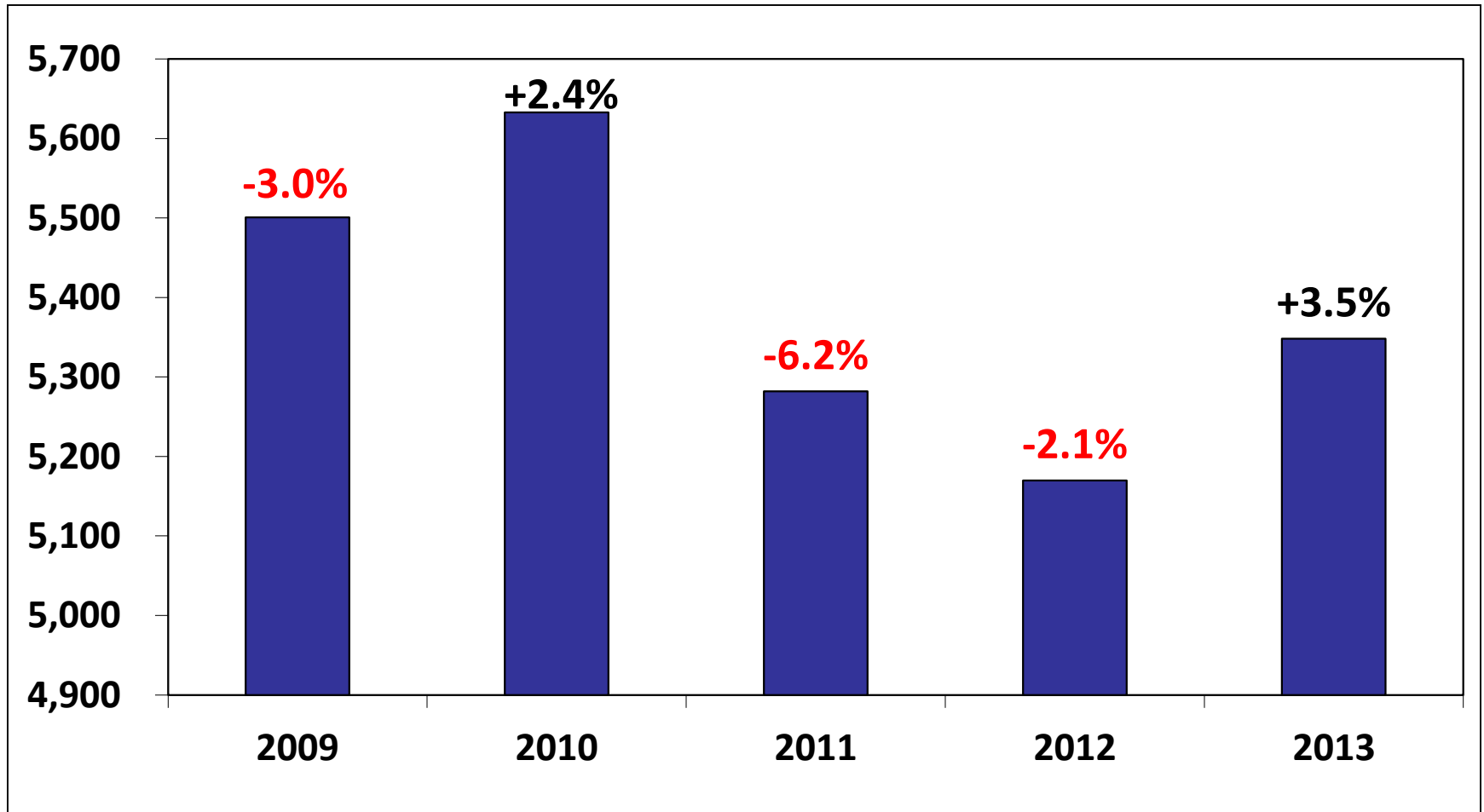
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# Branson Visitation

## YTD thru Third Quarter 2013

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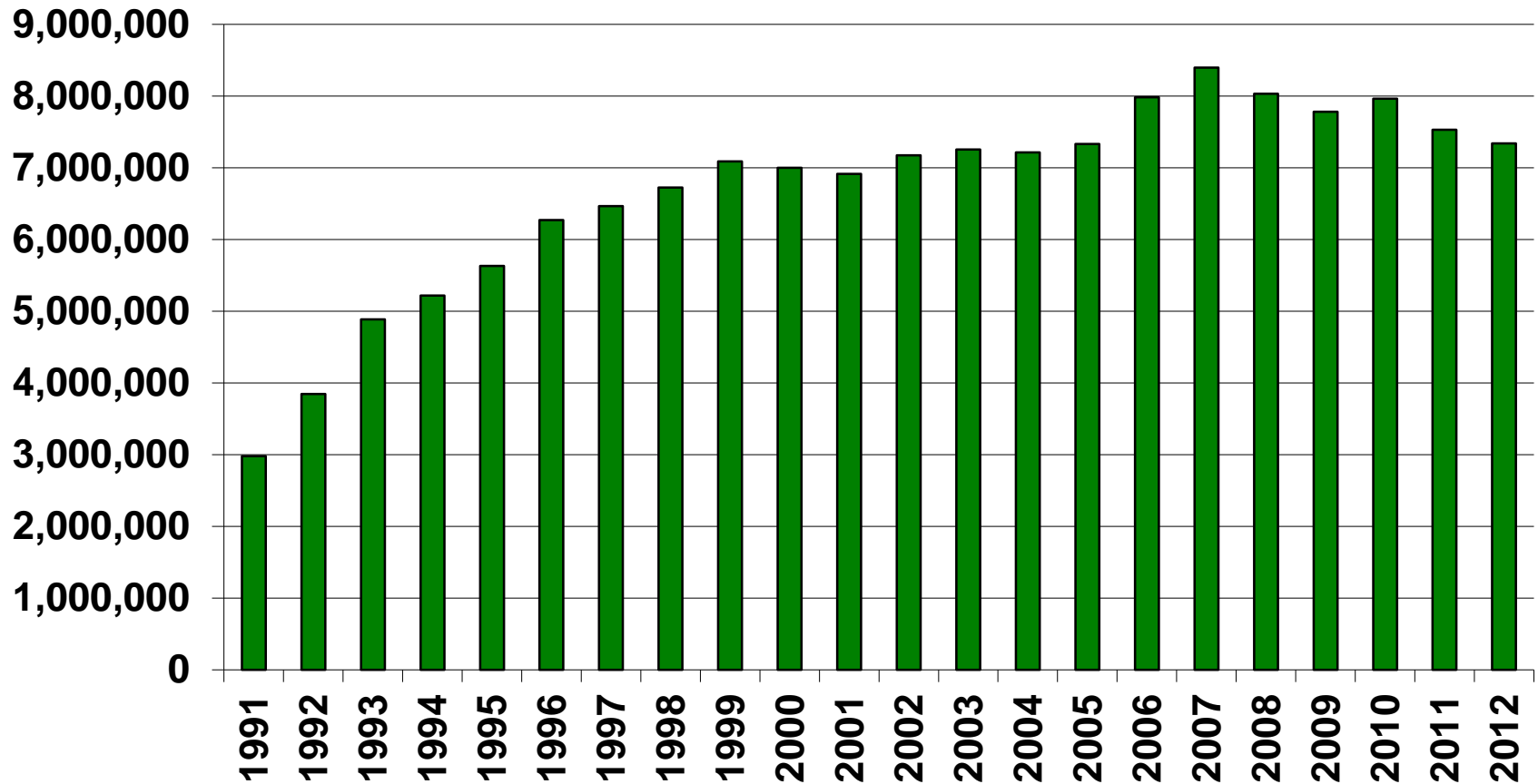
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Source: City of Branson



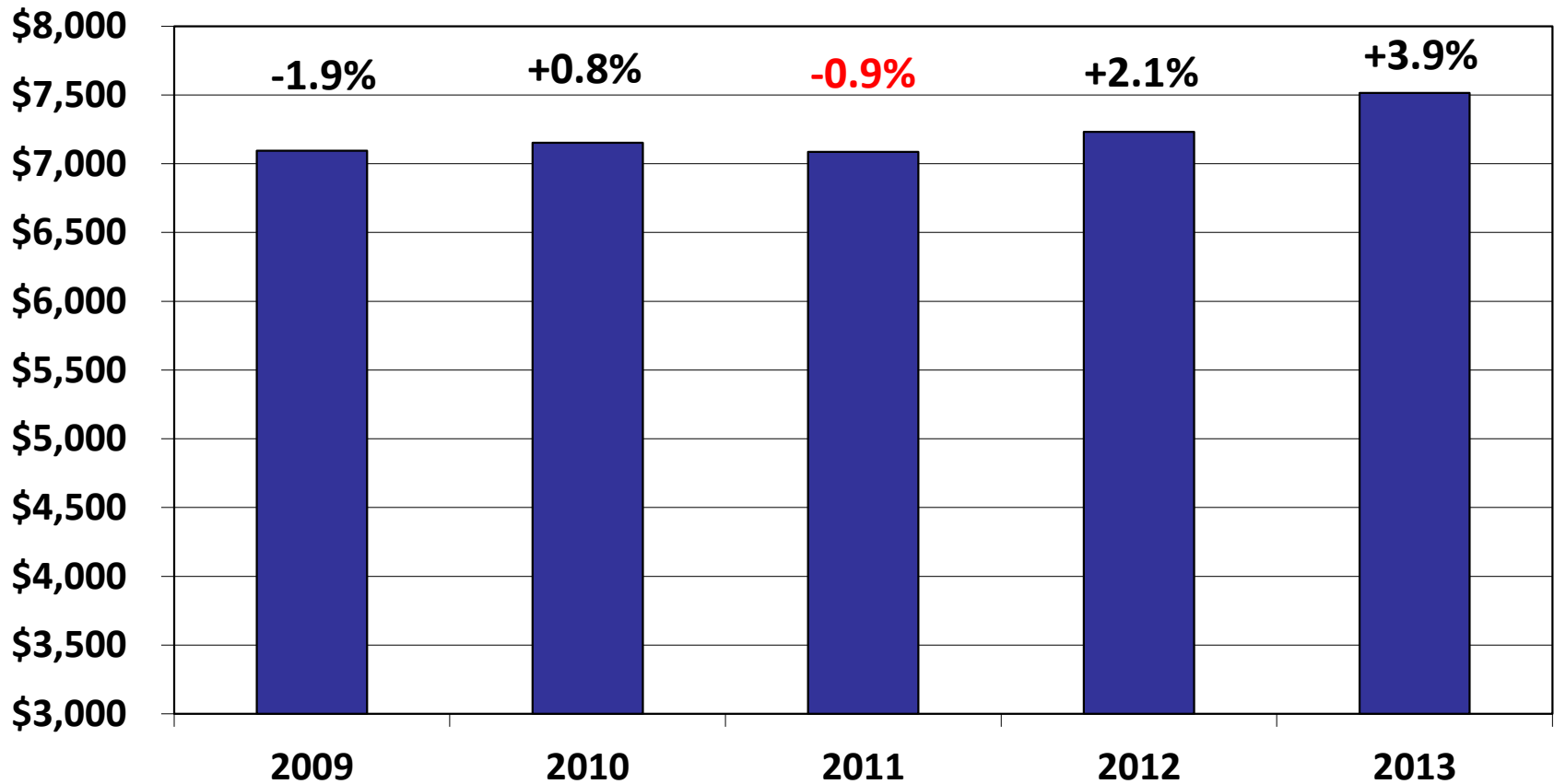
# History of Branson Visitation

## 1991 - 2012



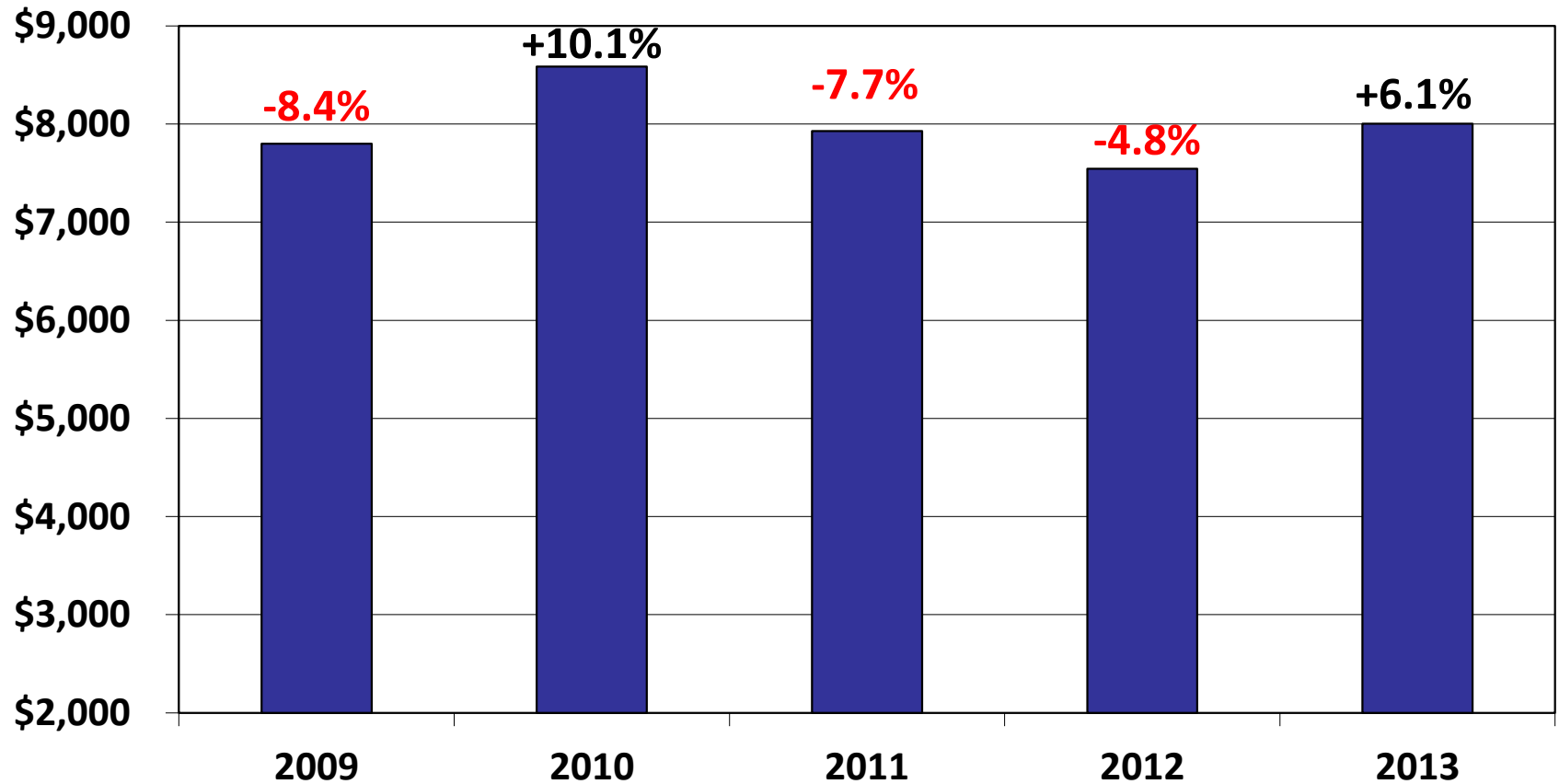
# City of Branson Sales Tax YTD thru Third Quarter 2013

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# City of Branson Tourism Tax YTD thru Third Quarter 2013

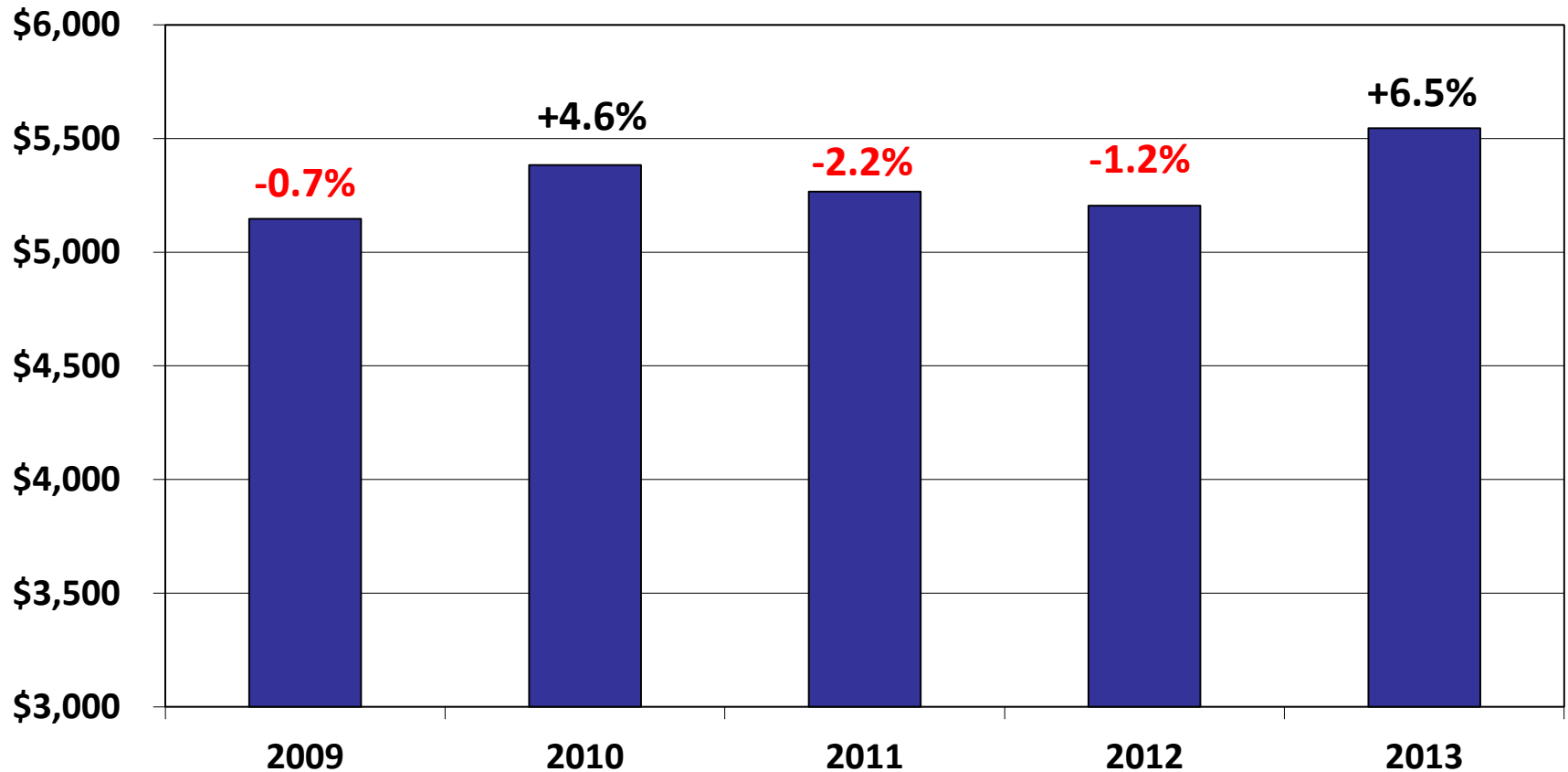
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# TCED Tourism Tax

## YTD thru Third Quarter 2013

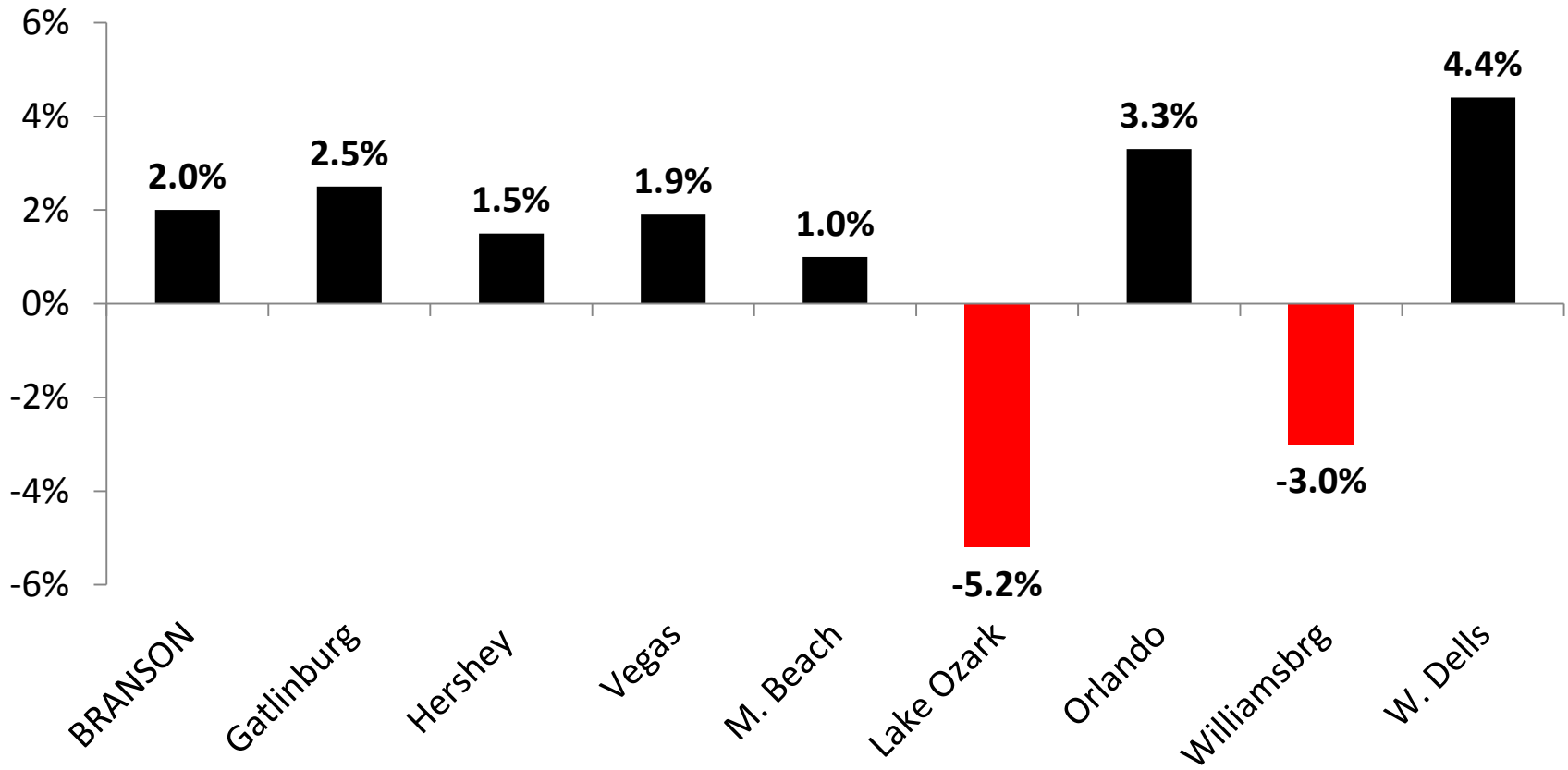
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# Room Demand Comparison YTD thru Third Quarter 2013

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*Variance in Room Demand*



# Branson 3rd Quarter 2013

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**What else** do we  
**know** about  
**2013?**

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## YTD Oct 2013 vs. YTD Oct 2012

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	<u><b>2013</b></u>	<u><b>2012</b></u>
• Spending per Party	\$974	\$962
• First-Time Visitors	25.5%	26.1%
• Families	37.7%	39.0%
• Average Adult Age	57.5 years	56.9 years
• Length of Stay	3.9 nights	3.9 nights
• Saw Shows	80.3%	77.9%
• Number of Shows Seen	3.2	3.2

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# YTD October 2013

## Visitation by Market

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<u>% of Visitors</u>	<u>Market</u>	<u>vs. 2012</u>
16.0%	Core Markets (0-100 mi.)	+3.3%
25.9%	Primary Markets (101-300 mi.)	-11.2%
26.2%	Outer Markets (301-650 mi.)	+3.3%
31.9%	National Markets (650+ mi.)	+17.7%
<b><i>TOTAL VISITATION</i></b>		<b><i>+3.5%</i></b>



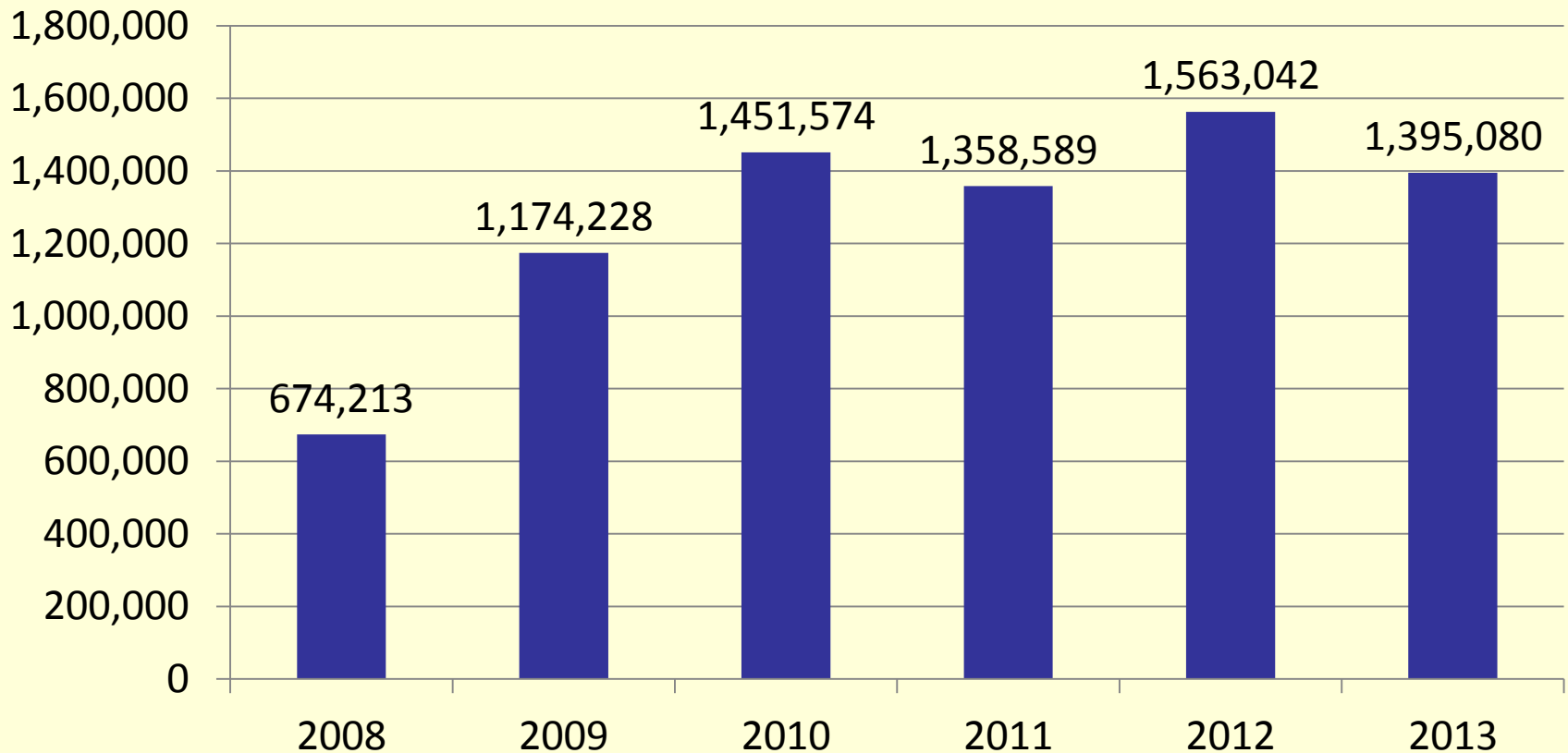


# Web Inquiries

## YTD Third Quarter 2013

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### Visits



# YTD 2013 Public Relations: Ad Equivalency Values

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On track to approach an annual ad equivalency of \$15MM (YTD thru OCT is \$12MM) vs. a record \$20.5MM in 2012, which was primarily due to the positive coverage (“Branson is Open for Business”) following the 2012 Leap Day tornado and the incredible outpouring worldwide at the loss of our beloved Andy Williams.

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# YTD 2013 Public Relations:

## Big Hits

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- Feature film *Awful Nice*, shot in Branson in 2011/2012, has been picked up for nationwide distribution in 2014
  - The reality show filmed at Branson Pawn is now named *Pawns in the Game* and will air on Discovery Channel, premiering in 2014, for two seasons
  - Produced a very successful Branson LIVE in Dallas with coverage by *Dallas Morning News* editor in AUG
  - 3rd annual national 4-H Film Fest held in AUG
  - US Family Guide Bloggers Fam was held SEPT 12-15
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# 2014: Looking Ahead

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## **Strategic Plan:**

- One-on-one interviews, focus groups and committee meetings with Branson stakeholders
- Completion in December 2013
- 2014 Marketing plan will be revised to reflect findings and direction

## **Creative:**

- New Ad Agency – Bailey Lauerman
  - Refreshed creative for 2014
  - Brand Re-positioning for 2015 launch
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# 2014: Looking Ahead

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## **Media:**

- Re-focus on Core and Primary markets
- Eliminate Chicago as a spot market
- Continue National Cable
- Deliver right message to the right person at the right time

## **Additional research:**

- Need-State Segmentation - TBD
  - Website Usability Study
  - Ad Testing
  - Revised Ad Effectiveness and Visitor Profile
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